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KEY PERFORMANCE INDICATORS

	2009		2008		2007		2006		
	Group %	Bank %	Group %	Bank %	Group %	Bank %	Group %	Bank %	
1 Net operating income growth	31.6	32.3	70.5	64.0	26.8	23.5	17.9	22.6	1 The percentage increase in net operating income before loan impairment and other credit risk charges since the previous year.
2 Net operating income mix									2 As a percentage of net operating income before loan impairment charges and other credit risk provisions.
Net interest income	62.4	60.7	55.7	53.1	47.8	45.7	53.5	55.1	3 Interest expense, operating expenses and other credit risk charges divided by net operating income before loan impairment and other credit risk charges.
Net fee and commission income	20.8	20.3	22.9	21.6	28.8	27.7	30.4	30.5	4 Net operating income divided by average risk-weighted assets.
Other income	16.8	19.0	21.5	25.3	23.4	26.6	16.1	14.4	5 Profit attributable to ordinary shareholders divided by invested capital.
3 Cost to income	66.8	67.4	63.7	64.5	71.6	72.1	73.1	73.7	6 The percentage increase in dividends per share since the previous year, based on the dividends paid in respect of the year to which the dividend relates.
4 Credit performance as measured by risk adjusted margin	10.7	12.0	13.8	15.5	16.4	16.4	18.8	17.5	7 Basic earnings per ordinary share is defined in Note 34 of the Financial Statements.
5 Return on shareholders' equity	3.7	9.9	10.4	8.9	22.0	21.0	24.0	24.0	
6 Dividends per share growth	0.0	12.5	0.0	20.0	0.0	0.0	(37.5)	(37.5)	
7 Basic earnings per ordinary share – reported (₦)	0.74	1.65	2.67	2.23	1.78	1.56	3.33	3.06	

1 INTRODUCTION

The FirstBank Group and affiliates are subject to extensive and increasing regulation, accounting standards and interpretations thereof, and legislation in the various countries in which the Group operates. From time to time, new laws are introduced, including tax, consumer protection, privacy and other legislation, which affect the operating environment in which the Group operates. As a result of the recent interventions by governments in response to global economic conditions, for instance, it is widely expected that there will be a significant review of government regulation such as the imposition of higher capital requirements and restrictions on certain types of transaction structure to engender stronger but effective supervision of the financial services industry.

If enacted, such new regulations might compel the Bank to inject fresh capital into its operations and those of its subsidiaries and affiliates. The development might require the Bank to enter into business transactions that are not otherwise part of its current Group strategy, prevent the Bank from continuing current lines of operations,

restrict the type or volume of transactions it may enter into, limit its subsidiaries' and affiliates' ability to declare dividends to FirstBank, or set limits on or require the modification of rates or fees that the Bank charges on certain loans or other products.

The Bank may also face increased compliance costs and limitations on its ability to pursue business opportunities. Separately, the Basel II Accord's requirement for financial institutions to increase their capital in response to deteriorating market conditions may have secondary effects on lending, which could exacerbate the current market downturn. These measures, alone or in combination, could have an adverse effect on its operations.

The Bank is currently subject to tax-related risks in the countries where it operates, which could have an adverse effect on its operating results.

A number of double taxation agreements entered into between countries also affect the taxation of the Group. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and

the risk of consequences arising from the failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for non-compliance as required by the law.

The Board of Directors and the Group Management Committee measure the Group's progress against its strategic objectives. Progress is assessed by comparison with the Group's strategy, its operating plan targets and its historical performance using both financial and non-financial measures.

As a prerequisite for the vesting of Performance Shares, the Board Governance Committee must satisfy itself that FirstBank Group's financial performance has shown sustained improvement in the period since the award date. In determining this, the Board Governance Committee will take account of all relevant factors, particularly comparisons against peer group with regard to the financial key performance indicators (KPIs) described below.